



Statement in Support of

House Bill 5345 - An Act Concerning Cooperative Health Care Arrangements

Labor and Public Employees Committee

March 5, 2014

This statement is being submitted in support of House Bill 5345 -- An Act Concerning Cooperative Health Care Agreements. The concepts in this bill have been raised before the General Assembly over the past few years and we have consistently supported them. Given that physicians are finding it increasingly difficult to serve the needs of their patients because of the medical malpractice crisis, cuts to Medicare and Medicaid and other factors, it is now more important than ever that you pass this bill.

House Bill 5345 would make two very important changes to the delivering of health care in Connecticut. First, the bill would change current anti-trust laws that prevent physicians from entering into "cooperative agreements." Such agreements would allow physicians to join together in order to provide health care services, negotiate pricing, share patients, personnel, support services, laboratory facilities and/or procedures. Such agreements would also enable physicians to increase quality of care, help to contain costs, and improve access to health care especially in rural areas.

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In addition to allowing physicians to enter into cooperative health care arrangements, the bill also requires that managed care companies negotiate in good faith with parties that have such Attorney General-approved cooperative agreements. The current health care system requires physicians to enter unfair and often times nonnegotiable contracts in order to treat patients. The only way to combat unfair contract provisions and negotiate with an MCO is through the formation of a cooperative health care arrangement. Unfortunately current anti-trust laws do not allow this. Therefore, MCOs have been able to virtually dictate the terms and conditions they offer physicians. Physicians have no choice but to sign such agreements as most patients are covered by MCOs.

Being forced to sign all or nothing agreements with the MCOs' ability to make unilateral changes in the terms and conditions of a contract without the physician's consent and the selling of one network to another without the physician's knowledge or consent, amount to an incredible unfairness in contracting. Presently, physicians have no choice but to sign all or nothing agreements and have no power to say no.

We hope that this Committee will recognize the unfairness that currently exists and pass this bill in order to allow physicians to gain some bargaining power and jointly negotiate with managed care companies.

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